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SUMMATION

of

UNITED STATES ARMY

MILITARY GOVERNMENT

ACTIVITIES

in

KOREA

No 6

March

1946

GENERAL HEADQUARTERS
COMMANDER - IN - CHIEF
UNITED STATES ARMY FORCES, PACIFIC

SUMMATION No 6

UNITED STATES ARMY
MILITARY GOVERNMENT
ACTIVITIES
IN
KOREA

FOR THE MONTH OF
MARCH 1946

COMMANDER IN CHIEF
UNITED STATES ARMY FORCES, PACIFIC

SUMMATION
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UNITED STATES ARMY
MILITARY GOVERNMENT
ACTIVITIES
in
KOREA

Number 6

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SECTION 1

GENERAL

C O N T E N T S

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ADMINISTRATION AND POLITICAL ACTIVITIES

1. All provincial and lower level councils of government were dissolved by Ordinance No. 60. All records, functions, properties and civilian personnel of the Inspection Subsection of the Planning Section were transferred to the Office of the Civil Administrator by Ordinance 58.

2. The National Economic Board was established in the Office of the Civil Administrator to act as a coordinating agency for requests for imports and exports and to allocate raw materials and supplies to government departments.

3. Military Government announced that farm lands formerly owned by Japanese would be offered for sale to landless tenant farmers. Long term credit will be extended and payment will be made in farm produce.

Departmental Activities

4. The Civil Service Training Academy was organized. The first class will begin 1 April and will comprise 102 middle school graduates selected from the provinces.

5. Crime was not widespread due largely to increased effectiveness of the Korean police. Korean civil police were authorized to apprehend and deliver to United States Army authorities any member of the American Forces caught in a serious criminal act. A warning was issued against the use of third degree methods.

Judges in Korean criminal courts were ordered to dispose of all cases involving Japanese nationals by 31 March. Jurisdiction of the Bureau of Justice and provost courts in seven types of criminal offenses was established by the Bureau of Justice.

Membership in the National Bar Association was broadened to admit former law teachers.

Traffic in South Korea will drive on the right-hand side after 1 April.

6. The New Korea Company was renamed the New Korea Company Limited and established as an independent agency of the Military Government of Korea by Ordinance No. 52, effective 3 March. The Korean Commodity Company was renamed the Office of the Controller of Commodities.

7. The Korean press, publishers and public speakers were warned that freedom of speech does not confer the right to make false pronouncements that jeopardize the public peace.

Political Parties

8. The first legal celebration of Korean Independence Day, better known as Sam Il Day, 1 March, was marked by orderly celebrations.

9. One hundred thirty-four political parties registered under Ordinance No. 55. The Yen'an Independence Alliance changed its name to the Korean New Democratic Party. Unification of political groups made little progress.

Dr. Syngman Rhee attempted to resign as chairman of the Representative Democratic Council on grounds of ill health but was persuaded to take an indefinite leave of absence instead and Kim Kyuh Sik became chairman pro tem.

Public attention was focused on the threat of hunger and speculation on the United States-Soviet Joint Commission meetings which opened on 20 March.

Repatriation

10. Koreans repatriated from Japan and other areas during March numbered 24,259 and 5,315 respectively, bringing the totals on 25 March to 831,387 and 30,858. On 25 March an estimated 1,200 Japanese remained in South Korea.

Repatriation from Japan to South Korea of Koreans destined for North Korea was suspended indefinitely. Registration of Chinese in Seoul was completed and licensing of Chinese places of business begun.

ECONOMIC ACTIVITIES

Agriculture, Forestry and Fisheries

11. The rice seizure program received press and public criticism but Military Government remained adamant and announced that a rationing plan would be instituted in Seoul. Rice stocks in Seoul totaled 7,123 tons on 28 March.

12. No solution of the fertilizer shortage was found. Planting of poppy seeds was forbidden and silkworm eggs were distributed to the provinces.

13. Control over many Japanese-owned forest lands was placed in the Bureau of Agriculture by Custody Order No. 4. An analysis of lumber requirements and forest growth showed that minimum requirements cannot be met from available resources in South Korea. All lumber in South Korea was frozen for use by the tactical forces. Planting of 90,000,000 seedlings is planned during "Emancipation Planting Week" to start 1 April.

14. Registration of fishing craft neared completion and a fleet of 1,000 boats was fully equipped for the season's opening on 1 April.

Commerce and Finance

15. Shipment from Japan of over 3,000 tons of industrial chemicals critically needed in the resumption of Korean industry was ordered by SCAP.

16. The period for deposit of Bank of Japan and Bank of Taiwan notes was extended to 16 March by Ordinance No. 59, effective 7 March.

Withdrawals from former Japanese-owned bank accounts now vested in Military Government were authorized for Japanese nationals permitted to return to Japan and for heads of households remaining in Korea.

Korean financial institutions were authorized to collect interest due them on loans, bills or overdrafts of former Japanese-owned organizations and nationals.

17. Control over critical commodities was established by the Bureau of Commerce. A national commercial agent will coordinate activities through provincial governors and prices will be fixed by Military Government. Plans to ration rice were made so that when stockpiles become adequate they may be put into effect on short notice.

Mining and Industry

18. Shortages of coal and raw materials eased slightly and some 20 new manufacturing plants opened. Production of tools and farm equipment increased and South Korea's largest spinning mill and only woolen manufacturing plant reopened. Home industry assisted in the production of yarn.

Subsidies totaling ¥ 2,800,000 were approved for national road repair and river improvement.

Communications and Transportation

19. Limited exchanges of first class mail were made between the United States and Russian commands at the 38th parallel. A shipment of 3,700 pounds of new issue postage stamps printed in Japan was received for distribution 1 May.

20. Increased coal supplies including 66,000 tons from Japan enabled Korean railways to resume operation at full capacity even though handicapped by old rolling stock.

Marine transportation was augmented by additional LST's and Baltic-type vessels. In all, 1,189 Korean vessels representing 69,000 tons have been registered and licensed.

Eight Korean weather observers began work at Kimpo airfield and a new class entered training.

SOCIAL ACTIVITIES

Education, Culture and Religion

21. In Chonju, Cholla Pukto, officers and men of Sixth Infantry Division Headquarters donated a scholarship fund of ¥ 4,500 to offset living expenses of students whose homes are distant from school.

22. School participation in political demonstrations and dissemination of political propaganda was forbidden. The prohibition does not prevent study of political sciences.

Private schools operating without a license were ordered closed and their books confiscated.

23. An adult training course aimed at developing leaders in Korean social and cultural life will open 1 April with selected representatives from all provinces attending. A long range educational program in principles of democratic government and life was instituted.

Boy and Girl Scout organizations in South Korea have been reorganized and constitutions adopted.

Public Health and Welfare

24. Incidence of smallpox in cities was high but universal vaccination is rapidly being achieved. Over 8,000,000 units of smallpox vaccine have been produced since the establishment of Military Government.

Eight hundred bottles of typhoid vaccine were shipped to the provinces and in Seoul typhus inoculation of 85,000 school children was completed.

25. Three hundred sixty Civil Affairs Division medical units arrived at Inchon and 100 bottles of blood plasma were received from the United States.

Twelve government life insurance hospitals have been opened and a dispensary for Korean civil service employees of the National Government was opened. Construction of a 300 bed national tuberculosis sanatorium is nearly completed.

26. All dentists and dental appliance manufacturers were required to register with the Bureau of Public Health and Welfare, and the Korean Board of Dental Licensure and Registration was formed.

27. Scientists at the National Chemistry Laboratory successfully developed a synthesis of amytal. Translation of Korean pharmacy laws into English was completed.

28. Military Government veterinary officers will supervise inoculation of cattle as a safeguard against rinderpest in an area extending across the Korean peninsula immediately south of the 38th parallel. Fowlpest is being brought under control by immunization of poultry flocks.

29. General relief supplies totaling 250 long tons were received from Hawaii and several million pounds of surplus United States Army rations relieved food shortages in hospitals and other institutions.

To augment clothing supplies quantities of Japanese apparel are being sold under auspices of the city of Seoul to persons with low income.

SECTION 2
POLITICAL ACTIVITIES

C O N T E N T S

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ADMINISTRATION

1. All provincial and lower level councils of government were dissolved by Ordinance No. 60. Its provisions removed from office all council members appointed under Japanese rule and not yet dismissed, and impounded all funds and records of such councils.

2. The National Economic Board was established in the Office of the Civil Administrator. It coordinates all requests for imports and exports and allocates all raw materials and supplies needed by the various departments of government.

Mechanics of receiving, distributing and accounting for supplies imported or exported at the Board's direction will be handled by a newly created Foreign Trading Corporation. This organization is capitalized at ¥ 100,000,000 and will be the purchasing authority directing the distribution of imported items through controlled channels to the ultimate consumer.

3. Widespread interest and comment were engendered by the announcement that farm lands formerly owned by Japanese would be offered for sale to landless tenant farmers. Long term credit will be extended and payments will be made in farm produce.

4. Minor changes included the transfer of the Inspection Subsection of the Planning Section to the Office of the Civil Administrator.

5. Relationships between Army personnel and the Korean public were curtailed by an order prohibiting acceptance of gifts and discouraging visits to Korean homes in an effort to further conserve dwindling food supplies.

DEPARTMENTAL ACTIVITIES

Civil Service

6. A Civil Service Training Academy was organized under the Office of Korean Civil Service. Students have been drawn from every province, and the first class opening 1 April will number 102 middle school graduates selected by the provincial governors. The course will be of four months' duration and will include administrative and civil law, ethics, English, accounting and governmental practices. It is expected that the second course scheduled to begin in September will accommodate 200 trainees.

Property Control

7. Control of all formerly Japanese-owned forest lands not specifically requisitioned by other government departments or agencies was transferred to the Bureau of Agriculture by Custody Order No. 4 on 18 March. General control remains with the property custodian, with the Forestry Department of the Bureau of Agriculture designated as his responsible agent. The measure will enable the Forestry Department to better administer timber production and distribution and to control destructive practices of Koreans who have stripped many thousands of acres of trees for fuel.

Legislation

8. Major legislation during March with effective dates included the following ordinances:

No. 58, effective 15 March, transferred all records, functions, properties, and civilian personnel of the Inspection Subsection of the Planning Section to the Office of the Civil Administrator.

No. 59, effective 7 March, amended Ordinance No. 57 and extended to 16 March the period for deposit of Bank of Japan and Bank of Taiwan notes.

No. 60, effective 24 March, dissolved all provincial and lower level governmental councils and impounded their records and properties.

Legal and Judicial Affairs

9. Korean employees have demonstrated their ability to successfully operate the Bureau of Justice and military personnel have been withdrawn with the exception of top level supervision.

10. Membership in the National Bar Association of Korea was broadened by amendment of Paragraph 2 of Bureau of Justice Order No. 4 to admit persons who had taught law in accredited colleges or universities for not less than five years. The amendment extends to them the privilege of practicing law without taking the examinations normally required.

11. Judges in Korean criminal courts were ordered to dispose of cases involving Japanese nationals by 31 March. The order implemented a recent directive that all Japanese nationals not essential to the Military Government be immediately repatriated to Japan.

Examinations are being given to select prosecutors and judges for Korean courts. One hundred candidates will be chosen for a year's special training given by the Bureau of Justice.

12. Jurisdiction was established for seven types of criminal offenses under instructions issued by the Bureau of Justice on 13 March. The order provided that: (1) cases involving criminal offenses by members of the Occupation Forces, persons serving with the Occupying Forces or persons claiming diplomatic immunity will be submitted to the Bureau of Justice for action; (2) cases involving criminal offenses by personnel of the United Nations other than United States Forces, or by any persons contravening Korean criminal laws and involving the prestige or security of the United States will be handled by provost courts.

National Defense and Public Safety

13. Korean civil police were authorized to apprehend and

deliver to the nearest United States Army authorities any member of the American Forces caught in a serious criminal act. To avoid abuse, specific crimes in which jurisdiction could be applied were outlined and the Military Governor was made responsible for implementation and control. The crimes listed were murder, manslaughter, rape, robbery, assault with a weapon or aggravated assault.

14. An order was published warning against the use of third degree methods by any member of the police forces. The order emphasized that these methods would not be tolerated and that any case would be severely punished. In spite of some instances of brutality the Korean civil police have demonstrated that they are a well trained, capable and loyal organization.

In Cholla Namdo Province 150 men are graduated from a special training course in police work every two weeks. A school for railroad police was opened at Seoul in February and continued to 15 March. All students are middle school graduates between 21 and 35 years of age. They are being trained in techniques incident to railroad traffic and freight security.

15. Traffic regulations in South Korea will undergo a radical change on 1 April when drivers will revert to the old Korean custom of driving on the right-hand side, a system changed by the Japanese to conform to their own method of driving on the left.

16. Approximately 500 men are undergoing training in the Korean Coast Guard, 60 of whom will receive special training as radio operators and technicians beginning 1 April.

17. Crime was not widespread due to a combination of increased effectiveness of the Korean police and a desire to avoid violence before and during the Joint Commission meetings.

Two hundred passengers on a train from Kaesong were searched and arrested at the Seoul railway station. Civil police and United States Army authorities confiscated weapons and ¥ 1,400,000 in cash. The money confiscated represented holdings in excess of those allowed people crossing the border.

A large counterfeiting ring was smashed in Seoul and four persons arrested. A lithographic machine, inks and ¥ 280,000 in bogus currency were seized.

The New Korea Company

18. The New Korea Company, an agency of the Military Government, was formerly the Korean branch of a Japanese commercial organization known as the Oriental Development Company. The head officers of the development company were in Tokyo and its aim was to exploit Korean resources and manufacture for the benefit of Japanese capital.

In general this company has retained the Japanese organizational pattern and is deeply involved in all phases of Korean economic life. While the full extent of its interests is not yet known, it has more than 44 subsidiary companies with the ownership and management of agricultural lands a major activity. All Japanese personnel were discharged and the greater portion of funds embezzled by the Japanese was recovered.

Ordinance No. 52, effective 3 March, entitled "Creation of the New Korea Company Limited", established the company as an independent agency of the Military Government. The organization, which has been operating since November 1945, will be managed by a president and directors appointed by the Military Governor. The entire capital stock is owned by the Military Government of Korea and was paid in

full by transfer of the physical properties of the Oriental Development Company. A board has been created with representation from each of the provinces to assist and advise the management.

Korean Commodity Company

19. The name of this agency of the Military Government was changed to Office of the Controller of Commodities. Reasons for the change were two fold: to decentralize administration, all intra-provincial collection, storing and distribution of rice were made responsibilities of the provincial governments; secondly, and of prime importance to Military Government units in the field, the change dissociated the functions and purpose of this organization from those of its Japanese predecessor.

The company established the following quotas for rice shipment during March:

<u>From</u>	<u>To</u>	<u>Quantity (in suk) a/</u>
Cholla Pukto	Seoul	32,000
	Inchon	6,000
	Mukko	8,000
	Chechon	2,000
	Wonju	2,000
	Chunchon	<u>8,000</u>
		58,000
Cholla Namdo	Mukko	8,000
Chung Chong Pukto	Seoul	4,500
Chung Chong Namdo	Seoul	36,000
	Inchon	<u>6,000</u>
		42,000
Kyong Sang Pukto	Chechon	5,000
	Mukko	<u>7,000</u>
		12,000

a/ 1 suk equals 5.12 bushels

All rice being transported to Chechon, Chung Chong Pukto, is for transshipment to Kang Won Do. If unhulled rice is shipped in lieu of polished rice, four bags of unhulled rice will be deemed the equivalent of one suk of polished rice.

Press and Public Opinion

20. The trend of press comment and public opinion was favorable but several specific items were the subject of criticism. Ordinance No. 52, establishing the New Korea Company Limited, drew unfavorable comment. Some writers expressed the opinion that exploitation by American interests exists. Criticism of Ordinance 55, requiring registration of political parties, continued with the theme that enforced registration and revealing of membership lists and contributions was a curb on freedom of political action.

Many articles expressed confidence and hope for the outcome of the United States-Soviet Joint Commission meetings which opened on 20 March. Trusteeship, the 38th parallel boundary, and the price ceiling of ¥ 38 per small marl (2.38 gallons) on rice all came in for their share of comment. The phrase that "38 is Korea's doubly unlucky number" was circulated.

A stern warning was issued to the press, publishers and public speakers that freedom of speech as advocated by the Military Government in Korea does not confer the right to make false pronouncements that might jeopardize the public peace. It was pointed out that such statements constitute a violation of Proclamation No. 2 and will be severely punished.

POLITICAL PARTIES AND PERSONALITIES

21. In compliance with Ordinance No. 55, 134 parties have registered.

Party Changes

22. The Yen-an Independence Alliance, formed in China by the Korean Volunteer Army, changed its name to the Korean New Democratic Party but no change in organization or structure was made.

Political Personalities

23. The attempt by Dr. Syngman Rhee to resign as chairman of the Representative Democratic Council on the ground of ill health caused much comment. Members of the Council voted not to accept the resignation and Dr. Rhee was granted a leave of absence for an indefinite period. His position as chairman was assumed pro tem by Vice-Chairman Kim Kyuh Sik.

Party Unification

24. Little progress was made during March toward unification of political groups although the Democratic People's Front held several meetings in an attempt to consolidate further. The time is not ripe for immediate decisive action along this line for two reasons. First, the realization that the people are facing actual hunger is diverting their thoughts from governmental matters to concern over personal welfare; second, United States-Soviet Joint Commission meetings now in session are the object of a great deal of attention and speculation.

Meetings and Demonstrations

25. The population of South Korea turned out en masse for the first legal celebration of Independence Day, 1 March 1946, better known as Sam Il Day. Reports from all provinces indicated orderly celebrations at all points. The formal ceremonies in Seoul were sponsored by the Korean Representative Democratic Council and featured addresses by General Hodge, General Lerch, Dr. Rhee and Kim Koo.

The leftists organized their own celebration giving the reason that it would be a non-political ceremony which would indicate unity of the Korean people. Attendance was small and neither the leader of the Communist Party nor the head of the People's Party was present. Estimated attendance at various rightist ceremonies in Seoul was over 100,000 compared with an estimated 15,000 at the leftist meeting.

INTERZONE ACTIVITIES

United States-Soviet Joint Commission

26. Three meetings of the Commission were held in March, the first on 20 March after a postponement of one week due to illness of the chief Russian delegate, Col. Gen. Shtikov. Formal ceremonies marked the opening at Duk Soo Palace with United States Army and

Korean police honor guards and a large crowd of Korean people to greet the delegates.

FOREIGN AFFAIRS

Repatriation Status

27. All repatriation from Japan to South Korea of Koreans destined for North Korea was suspended indefinitely. This action was taken to relieve transportation and housing problems and to avoid depletion of limited stocks of food and clothing.

Repatriation of Japanese has been speeded up and of an estimated 5,000 in Korea at the beginning of March there are now less than 1,200 remaining. To implement the order that unessential Japanese nationals be returned to their home country, all departments of the Military Government have been directed to report each Japanese considered essential by them. These reports will be made not later than 1 April. They will be screened and approved or rejected by Headquarters, USAMGIK.

28. The following is the status of Koreans repatriated through 25 March 1946:

<u>From</u>	<u>March Total</u>	<u>Total to Date</u>
Japan	24,259	831,387
Other areas	5,315	30,858

Personal Property

29. The amount of personal baggage which repatriated Koreans may take from Japan was increased to 250 pounds per person effective 1 April. Formerly such baggage was limited to what each individual could carry. There was no change in items considered contraband or in the amount of yen currency.

Repatriation Teams

30. Two Military Government officers and several Koreans have been assigned as repatriation teams at Hakata in northwest Kyushu and Senzaki in southwest Honshu to assist in the repatriation of Korean nationals.

Chinese Affairs

31. Registration of Chinese in Seoul was completed and licensing of Chinese places of business began. There are approximately 200 Chinese nationals in Seoul and 300 at Inchon. Those to be repatriated will be concentrated in Seoul during April for return to their homeland.

SECTION 3
ECONOMIC ACTIVITIES

C O N T E N T S

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AGRICULTURE, FORESTRY AND FISHERIES

1. The rice seizure program was the principal target for criticism by both the people and the press. Changes in the collection plan and abolition or suspension of the ceiling price of ¥ 38 per small marl (2.38 gallons) were the major steps favored, although no alternatives were advanced that would meet the problem of feeding hungry city dwellers and satisfying the farmers.

2. The Military Government remained adamant and announced a rationing policy for Seoul. The statement emphasized that the American Military Government favors frank discussion of matters affecting the public welfare but warned that seizure would continue and rationing would begin.

Warning was also given that if stocks were not built up to the extent necessary even the established ration of 2.0 hop (.095 gallon) per person per day would not be distributed.

3. The effective date of rationing will be announced through the press and radio. Chung leaders will be responsible for proper distribution of the rice ration within their areas.

Provincial governors will meet at the national capital 1-3 April to report further on rice seizure and establish a plan for price control and rationing. Total stocks of seized rice in Seoul were 7,123 tons on 28 March.

Fertilizer

4. Fertilizer to meet the season's planting needs remained scarce although some phosphate rock is obtainable from the Ryukyus and pulverizing facilities are available. The import of nitrogenous fertilizer from Japan is not considered feasible.

Sericulture

5. Silkworm eggs were shipped from the experimental station at Suwon to storage stations in the provinces. From these points the eggs will be distributed to silkworm raisers. Sericultural experts were dispatched to the provinces with each shipment of eggs.

Other Crops

6. Planting of poppy seeds was forbidden and farmers were urged to plant grains, particularly millet, in their stead. The restricting order affects 34,000 licensed poppy growers and will curb the

narcotic trade and augment foodstuff production in Korea. See chart, page 13.

7. At a recent cotton congress in Seoul it was agreed that unless planting of cotton and hemp was encouraged there would be a decline in these low-profit crops.

Forestry Controls

8. The provisions of Custody Order No. 4, which gave the Bureau of Agriculture immediate control over many formerly Japanese-owned forest lands, expanded the responsibilities of the Forestry Department and increased its facilities to control timber preservation, production and distribution.

Lumber Production and Reforestation

9. Analysis of lumber production requirements and annual growth of forests south of the 38th parallel indicates beyond question that minimum timber requirements for South Korea cannot be met from available resources. Annual requirements in koku (10 cubic feet) are:

Logs	2,930,000
Charcoal	2,126,000
Firewood	<u>10,280,000</u>
Total	15,336,000

Forests in South Korea can now produce only 7,000,000 koku of timber per year and due primarily to lack of transportation, the timber industry is working at about 10 percent of capacity.

Plans for "Emancipation Planting Week" to start 1 April include the planting of 90,000,000 seedlings throughout South Korea.

Wood By-Products

10. The Tonga Pine Oil Factory, with a production capacity of 1,000 gallons of pine oil, was opened for experimental purposes. The plant has facilities for producing synthetic gasoline, turpentine, diesel oil and pitch.

Fisheries

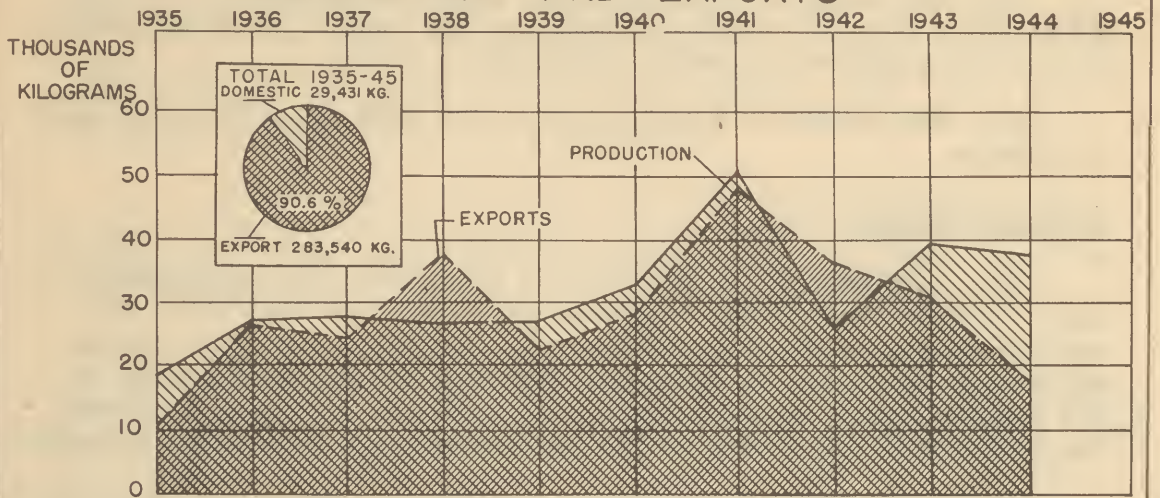
11. Forty former Japanese craft were recovered in the course of registration of fishing craft, now 85 percent complete. A fleet of approximately 1,000 boats is fully equipped and waiting for the fishing season to open early in April. Fishing permits have been issued and the leasing of fishing grounds started.

Procurement of engine oil is under way with shipment of 650 drums from Chung Chong Fukto to Pohang and 2,200 additional drums of oil will be distributed from Anyang-ni for use by fishing vessels.

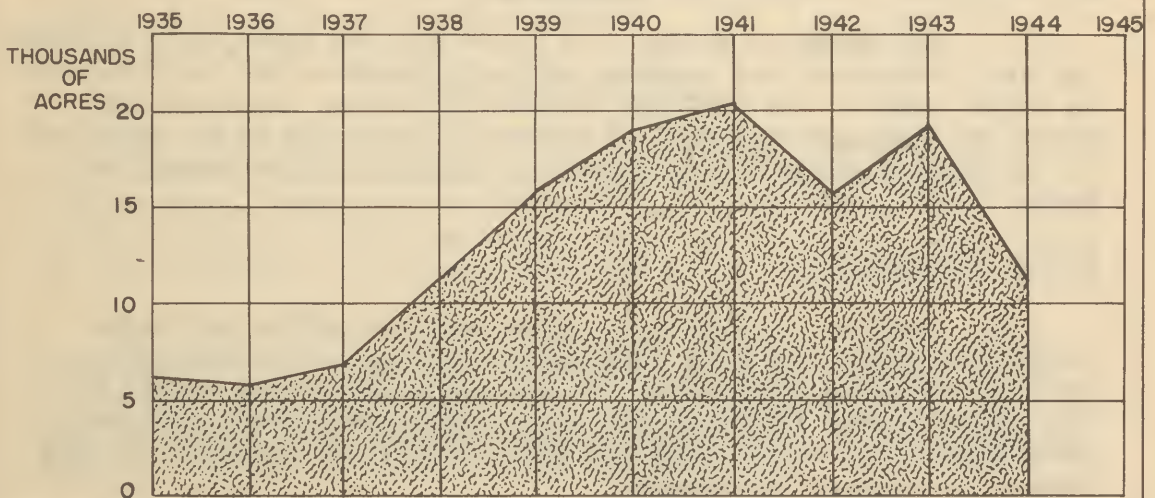
COMMERCE AND FINANCE

12. SCAP directives to the Japanese Government in March called for export to Korea of over 3,000 tons of industrial chemicals which are needed before Korean industry can resume operations. The list, consisting of 38 items, included refractory clay, sulfuric and nitric acids, calcium carbonate, commercial chlorine and industrial alcohol.

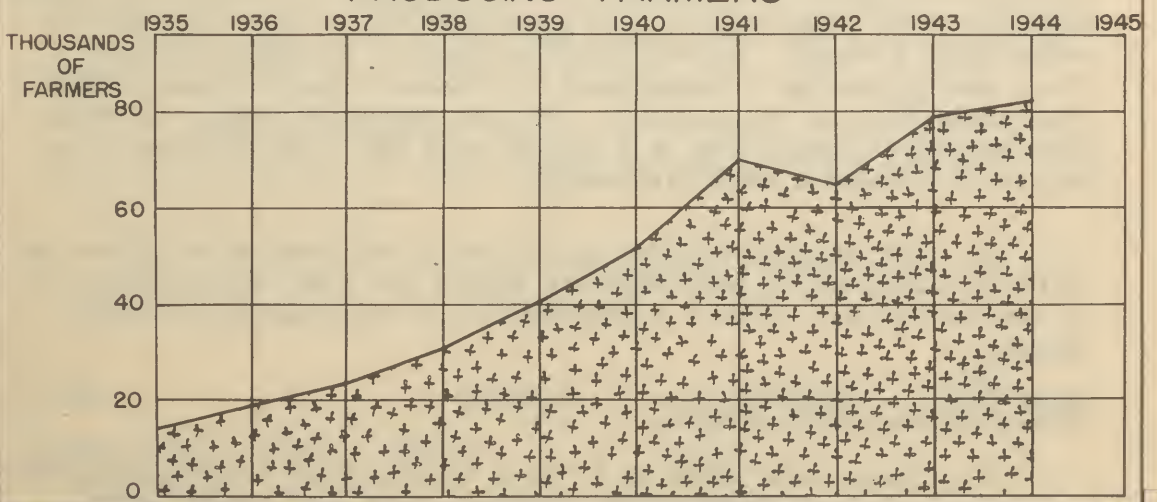
PRODUCTION AND EXPORTS



ACREAGE



PRODUCING FARMERS



SOURCE: KOREA MONOPOLY BUREAU MEDICINAL DRUG FACTORY

OPIUM INDUSTRY

KOREA-1935-1944

13. The Japanese Government was directed by SCAP to ship to Korea eight tons of liquid chlorine and 320 tons of aluminum ammonium sulfate for use in water purification plants.

14. The export of 1,312 tons of taro from Korea to Japan was authorized.

Currency Control

15. Instructions to Banks No. 6 specified that withdrawals could be made from former Japanese-owned bank accounts which are now vested in the Military Government. Japanese nationals having permission to return to Japan may draw ¥ 1,000 for each person in the household and Japanese heads of households remaining in Korea may withdraw ¥ 500 a week as living expenses for each adult dependent.

16. The exchange of Japanese for Chosen currency at Japanese Government repatriation centers was expedited. Bank of Chosen notes were provided by the Commanding General, USAMGIK, and the Japanese Government was directed by SCAP to exchange up to ¥ 1,000 per person for repatriates returning to Korea.

All money in excess of ¥ 1,000 will be taken up by processing unit commanders and together with all receipts and records, will be turned over to the Military Governor of Korea. Japanese yen which are exchanged for Bank of Chosen currency are to be deposited in the Bank of Japan to the credit of the Military Government of Korea.

Fiscal Policies

17. Methods, including financial aid, by which the United States can assist Korea in developing a strong and independent economy are being considered. It was announced as the policy of the United States that such aid as may be given Korea's economic development will be on terms and under conditions agreed to by the Korean Provisional Government.

Banking and Taxation

18. The right of Korean banks and other financial institutions to collect interest due them for loans, bills, or overdrafts of former Japanese-owned organizations and nationals was recognized under an order dated 6 March. All Military Government or Korean authorities having custody or management of former Japanese-owned properties under Vesting Ordinance No. 33 were empowered either to enter such interest liabilities as a charge upon the books of these companies or to make a cash settlement.

19. The general banking situation is encouraging and shows a material increase in bank deposits during the past six months. It is estimated that about ¥ 4,500,000,000 is outstanding in South Korea.

Rationing and Price Control

20. Steps were taken on 5 March to establish control over the following critical commodities: cotton cloth, all types; silk, rayon and mixed cloth, all types; shoes, all types and kinds; socks, cotton, wool and mixed; matches; soap; paper and paper products; and farm tools and implements.

Provincial governors will inventory all controlled items on hand in Military Government warehouses or factories and determine

the amount and production cost of each item. They will make estimates of requirements within their provinces. This information will be furnished the Bureau of Commerce, which will establish a national commercial agent who will coordinate information regarding stocks on hand and future availabilities and will contract, buy, sell, transport and distribute among the provinces.

After controlled commodities have been delivered to any province, the provincial governor will be responsible for safeguarding and distributing them to private retail channels. In fact he is responsible for commodities until they reach the consumer.

21. The Military Governor will establish the price at which the national commercial agent will sell to the provincial governor. Each provincial governor will then establish the retail price, taking into consideration such additional costs as transportation within the province, loss from spoilage or theft and retailer's profit.

22. Rationing of rice, the most critical commodity in Korea, will not begin until sufficient stocks are accumulated in urban centers to insure that needs can be met. Plans have been made so that when stockpiles become adequate a comprehensive rationing plan will be started on very short notice.

MINING AND INDUSTRY

23. Shortages of transportation, coal and raw materials, chief deterrents to Korean manufacture, were eased in varying degrees during March. Raw material and tool scarcities forced some industries to suspend operations temporarily but new plants were opened so that expansion of industry in South Korea progressed.

24. Manufacture of farm tools and equipment increased and arrangements were completed for production of a six-month supply of cutting tools for Korean flour mills. Production plans for dry cell batteries were set back when the main plant of the Nitsushida Electric Company at Seoul was destroyed by fire.

25. The largest spinning mill in Korea, damaged during the riots of 15 August 1945, reopened and is operating at 25 percent capacity. The mill has 11,000 hemp spindles, 13,000 cotton spindles and 520 looms. The Mitsuyo Woolen Company, the only woolen manufacturing plant in South Korea, has 33 looms in operation. Production of civilian clothing was assisted by the release to manufacturers of quantities of clothing from Japanese Army supplies.

Home industry was called on to assist in textile manufacture and raw mohair was distributed to home spinning industries for the production of yarn.

26. Following is a list of new plants opened in South Korea since 1 March:

<u>Name</u>	<u>Location</u>	<u>Product</u>	<u>Number of Employees</u>
Korea Sakura Joint Stock Co.	Fusan	crayon	21
Kyungnam Textile Industrial Co.	Samchunpo, Sachun Gun, Kyong Sang Namdo	cotton cloth	7
Asahi Silk Textile Co.	Fusan	silk	370

<u>Name</u>	<u>Location</u>	<u>Product</u>	<u>Number of Employees</u>
Korea Net Mfg. Co.	Tong Yung Up, Tong Yung Gun, Kyong Sang Namdo	fishing net	85
Sam Nim Industrial Co., Ltd.	Fusan	cotton thread	70
Tong-A Spinning Co.	San Chung Myun, San Chung Gun, Kyong Sang Namdo	silk cloth	42
Ozaki Casting Works	Fusan	farming tools	25
Pang-U-Jin Iron Works and Shipbuilding Co., Ltd.	Pang-U-Jin Up, Ool San Gun, Kyong Sang Namdo	shipbuilding and repair	230
Tesum Brewing Co., Ltd.	Fusan	synthetic wine, alcohol	60
Chosen Wooden Stationary Mfg. Co.	Fusan	abacus	6
Inchon Casting Factory	Inchon	farming tools	35
Pal-Kok Airplane Co., Ltd.	Taegu	milling machinery	150
Wan-Ill Rice Cleaning Mill	Inchon	rice cleaning	55
Sam Hwa Wood Works	Inchon	shovel handles	17
Namsun Towel Industrial Co.	Taegu	towels	50
Taegu Silk Mill	Taegu	silk	50
Kyung-Book United Factory	Taegu	silk and cotton cloth	35

Public Works

27. Subsidies totaling ¥ 2,800,000 were approved for national road repair and river improvement, while in Seoul alone a further subsidy of ¥ 355,000 was granted for public works projects. In Kyunggi Province sealed bids were accepted on 23 March for the following improvements: two bridges in Chang Don District, two drain pipe culverts in Chang Don District, one drain pipe culvert in Kaipung and one ferry approach road in Pa Choo.

Coal Production

28. Supplies of both domestic and Japanese coal increased, enabling railways to expand their operations which in turn assisted industrial development. Coal imported from Japan totaled 66,000 tons. The quality has improved and in order to maintain a high standard arrangements were made for inspection at shipping points in Japan.

COMMUNICATIONS AND TRANSPORTATION

29. Substantial quantities of telephone, telegraph and radio repair parts ordered from the Japanese Government are scheduled for delivery in April. This equipment will be used to rehabilitate communication services.

The San Francisco radio telephone circuit, opened in February, is operated by Korean girls, 25 of whom are being trained as supervisors.

30. Eight Korean weather observers began work at Kimpo airfield during March and a new class entered training.

31. Limited exchanges of first class mail were made between the United States and Russian commands at the 38th parallel on 15 and 29 March.

32. A shipment of 3,700 pounds of new issue postage stamps printed in Japan was received and will be placed in distribution 1 May.

Railroads

33. Increased coal supplies enabled the Korean railways to resume operation at full capacity but they are handicapped by old and worn out rolling stock. One electric and three steam locomotives, a quantity of boiler tubes, locomotive tires and axles, two inspection cars and five small gasoline locomotives were ordered from Japanese manufacturers for delivery in April.

Shipping

34. The Marine Division, Bureau of Transportation, has registered 1,189 Korean vessels representing a total of 69,000 tons of licensed shipping. Only eight vessels registered over 1,000 tons, while more than 1,000 are under 150 tons displacement.

Five Baltic type vessels are in operation and arrangements have been made for 10 more to be sent to Korea for coastwise shipping. Twelve LST's are now assigned on a rotation basis to help offset the over-all shipping shortage.

35. Koreans are being trained as port superintendents and cargo handlers in anticipation of increased incoming tonnages. Berthing facilities at Fusan will accommodate 15 Liberty ships. Unloading facilities there can handle 15,000 ship tons per day while wharf storage is available for 150,000 ship tons.

SECTION 4

SOCIAL ACTIVITIES

C O N T E N T S

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EDUCATION, CULTURE AND RELIGION

1. The National Committee on Educational Planning is largely responsible for the educational program followed in Korea. This group of 70 Korean educators and public leaders worked with one United States Army officer from each section of the Bureau of Education. Each of the Committee's 10 subsections developed long term plans and recommendations which were welded into a comprehensive program covering all branches of Korean education. This was predicated upon a balance between native cultural aims and modern American educational influences.

2. In Chonju, Cholla Pukto, a scholarship fund was donated by officers and enlisted men of Sixth Infantry Division Headquarters. From its proceeds six outstanding scholars whose homes are distant from school were awarded a total of ¥ 4,500 to offset living expenses.

Educational Controls

3. Public safety officers and chiefs of police were authorized to close any private school operating without a license from the Bureau of Education and to confiscate all textbooks and rosters of teachers and students.

Directives forbidding school participation in political demonstrations and dissemination of political propaganda were issued to provincial education offices. It was made clear that the prohibition did not prevent study of political sciences.

Special Schools

4. A course in adult training aimed at developing leaders in Korean social and cultural life will open 1 April with specially selected representatives from all provinces attending. Courses include Korean language, civics, teaching methods and home improvement.

5. The Bureau of Education in collaboration with the Bureau of Police inaugurated a program of traffic safety education in the public schools.

Education in Democracy

6. A long range educational program in basic principles of democratic government and life was instituted. Dissemination of material is carried on through newspapers, pamphlets, radio and lectures. Traveling speakers will carry the program of education to rural populations.

Cultural Activities

7. A series of school symphony concerts was enthusiastically received with 10,000 pupils attending the first performance. Further concerts by the Korean Symphony Orchestra also received popular approval.

PUBLIC HEALTH AND WELFARE

Contagious Disease Control

8. The incidence of smallpox in cities throughout South Korea was high and combative measures were energetically applied. Over 8,000,000 units of smallpox vaccine have been produced since the establishment of the Military Government and universal inoculation is rapidly becoming a reality.

The first large shipment of 800 bottles of domestically produced typhoid vaccine was shipped to the provinces. Production continues at the rate of 350,000 cubic centimeters a month.

9. In Seoul typhus inoculation of 85,000 children in 74 public schools was completed and 32,882 have already received DDT powder treatment. In addition an average of 19,000 people a week are being dusted with DDT powder. Refugee centers, public assembly points and public vehicles are periodically sprayed.

10. From 24 to 30 March, designated National Clean-up Week, an intensive trash collection program was started. A fleet of dump wagons placed at strategic points throughout Seoul haul refuse to city dumps daily.

Medical Facilities and Personnel

11. Three hundred sixty Civil Affairs Division medical units have arrived at Inchon and distribution through controlled channels is under way. Each unit contains enough medical supplies to care for 100,000 people for 30 days. Further tangible evidence of American good will was demonstrated with the receipt of 100 bottles of blood plasma assigned to the Seoul Department of Public Health for treatment of shock cases.

12. Construction of the national tuberculosis sanatorium is practically completed. The institution will have a 300-bed capacity and will be the first of its type built under Military Government. Plans for additional sanatoria are incorporated in the program of the Bureau of Public Health and Welfare in an effort to control one of the more prevalent communicable diseases in Korea.

Twelve government life insurance hospitals have been reopened. A dispensary for the treatment of Korean civil service employees of the National Government was opened under Korean medical supervision in the capital.

13. The first 35 Korean women trained as public health nurses are already at work in the provinces as assistants to American and Korean doctors. A second group is in training at Seoul University Hospital. The course consists of both theory and practical work at city health clinics, settlement houses, medical clinics and repatriation centers where they are given instructions in inoculation and DDT dusting of repatriates.

Nutrition

14. Plans for a school lunch program were completed by the Public Health Department and will be activated as soon as financial details are arranged. In cooperation with the Chosen Flour Milling Company a soybean milk powder has been developed as a substitute for whole milk.

Dental Affairs

15. Control of dental practice in South Korea was instituted on 15 March by an order requiring all dentists and dental appliance manufacturers to register with the Bureau of Public Health and Welfare. Upon qualification, licenses to practice will be issued. The Board of Dental Licensure and Registration composed of seven Koreans was formed.

Letters were sent to provincial health officers directing that plans be initiated to form provincial dental associations so that problems relating to the profession may be correlated and submitted to the Dental Affairs Section of the Bureau of Health and Welfare.

Drug Manufacture and Distribution

16. Scientists at the National Chemistry Laboratory have successfully developed a synthesis of amytal.

17. In the field of drug legislation, translation of the Korean pharmacy laws into English was completed and a new price list of all Korean drugs was compiled and approved by the Association of Manufacturers, Retailers and Wholesalers.

Veterinary Affairs

18. Two Military Government veterinary officers will supervise inoculation of 110,000 cattle as a safeguard against rinderpest. The area to be covered extends across the Korean peninsula immediately south of the 38th parallel.

19. A rising incidence of fowlpest is being brought under control by immunization of poultry flocks. The vaccine was prepared in the Fusan Laboratory.

Social Institutions and Agencies

20. The national reformatory at Mokpo was made ready to receive boys of 14 years and under who have exhibited delinquent tendencies.

21. The assistance of public spirited Korean men and women was enlisted in the creation of Boy Scout and Girl Scout organizations. The original Boy Scout organization in South Korea was disbanded early in 1946 when it was found to be more a private army than a youth-building organization. Complete reorganization has been effected, governing committees appointed and constitutions adopted for both branches of scouting.

Emergency Relief

22. Food and clothing for relief are being made available to indigent and low income groups. General relief supplies totaling 250 long tons collected through the Honolulu Council of Churches were shipped from Hawaii on 7 March.

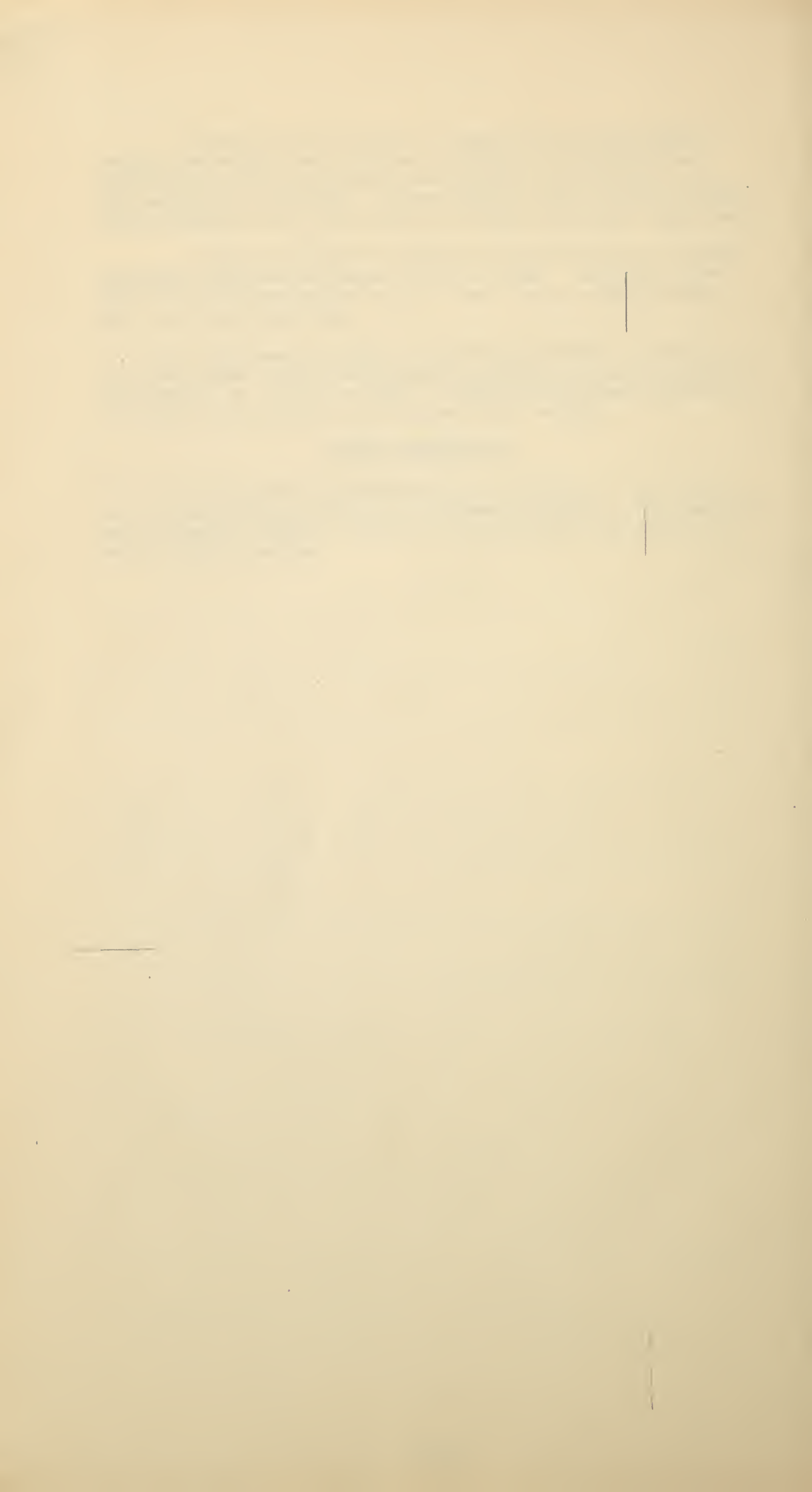
Several million pounds of surplus United States Army rations are easing food shortages in hospitals, orphanages and similar institutions throughout South Korea. They will also be made available to refugees, indigent families and displaced persons. Limited amounts will be sold under provincial government supervision.

A food distribution schedule was established for persons obtaining individual emergency relief in Seoul. Included in the foods to be distributed are barley, flour, bread, canned cabbage, salt, sugar and navy beans.

23. To augment the supply of clothing available to persons with low income, quantities of Japanese apparel are being sold under the auspices of the city of Seoul. Each individual may purchase up to ₩ 300 in merchandise from licensed retail outlets.

PUBLIC INFORMATION

24. All avenues of dissemination were working at full capacity on many phases of Military Government operation. Proclamations and informative talks by the staff of the Military Government received major attention.



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